

***United States Court of Appeals
for the Second Circuit***



**BRIEF FOR
APPELLANT**

No. 74-2413

To be argued by WALTER D. AMES

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

MOORE BUSINESS FORMS, INC.,

Plaintiff-Appellant,

v.

MINNESOTA MINING AND MANUFACTURING COMPANY,

Defendant-Appellee.

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK
(Honorable John T. Curtin, District Judge)

BRIEF FOR PLAINTIFF-APPELLANT

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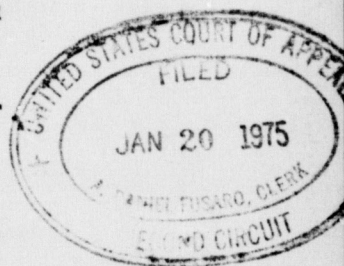
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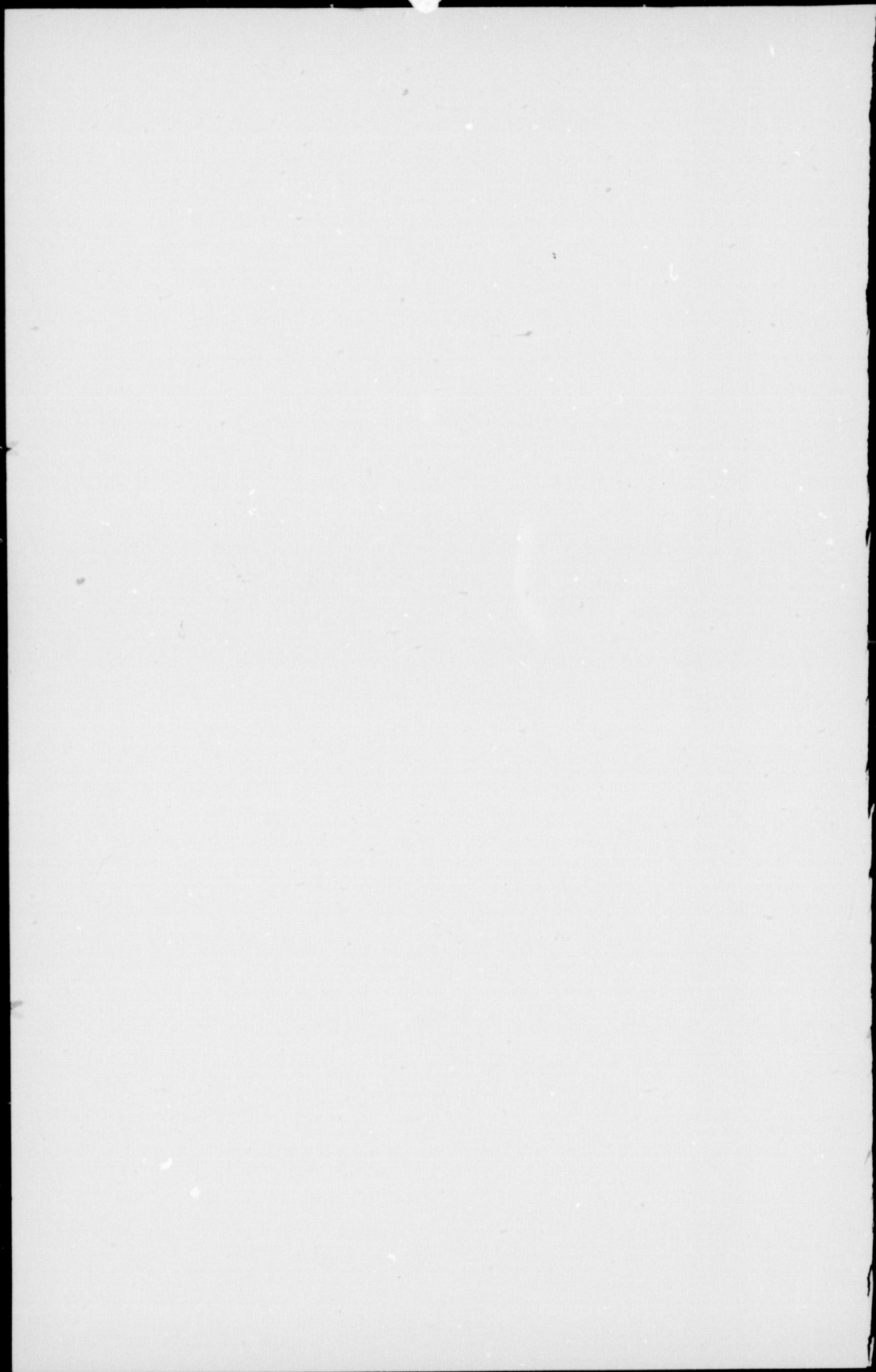


TABLE OF CONTENTS

I. INTRODUCTION.....	1
II. STATEMENT OF ISSUES PRESENTED FOR REVIEW.....	2
III. STATEMENT OF THE CASE	4
A. The District Court Proceedings	4
B. Statement of Relevant Facts	4
IV. SUMMARY OF ARGUMENT	11
V. ARGUMENT.....	13
A. The Patent Claims in Issue	13
1. The Claims of the patent measure the grant	13
2. Two representative claims	13
B. There Is No File Wrapper Estoppel with Respect to the Term Free-Flowing Powder in the Asserted Claims.....	16
1. The prosecution of the representative claims in the Patent Office.....	16
2. The prosecution of the other asserted claims.....	19
3. The firm rule of the Second Circuit is that an estoppel can arise only when claims have been narrowed	20
4. The lower court improperly transferred remarks	23
(a) The quoted statements were made with respect to nonasserted claims and referred to process limitations.....	23
(b) The case law precludes transfer of remarks	27
5. Had the claims been narrowed, they could not have been amended to dis- tinguish the prior art	30

6. The lower court never looked at the prior art	33
7. Were there a file wrapper estoppel the doctrine of equivalents could still have been applied	35
C. Errors in Patent Interpretation	37
1. The lower court failed to treat the claims as individual grants but agglomerated them as a whole	37
2. The lower court incorrectly called all fourteen asserted claims process claims	40
3. Process limitations will not be read into and are improper in product claims	41
D. Claims 24 to 29 Are Literally Infringed; There Is No Need to Resort to Equivalents	44
E. Plaintiff's Affidavits Submitted in Opposition to Summary Judgment Should Have Been Considered	46
1. The Burns affidavit is proper	46
2. The Swiercz affidavit is cogent evidence	48
F. The Movant Did Not Sustain its Burden on Equivalents	51
1. The Swiercz affidavit was unopposed	51
2. Equivalence is a question of fact	51
3. Other factors supporting evidence	53
(a) Prior art shows the equivalence	53
(b) Dr. Ostlie testified that they were equivalent	55
(c) Dr. Ostlie's affidavit indicates equivalence	55
(d) Common experience and 3M's failure to proffer evidence indicate equivalence	57
G. The Burden on Summary Judgment	58
CONCLUSION	60

TABLE OF AUTHORITIES

Cases:	Page
<i>Altoona Publix Theatres v. American Tri-Ergon Corp.</i> , 294 U.S. 477 (1935)	13
<i>Aro Manufacturing Co., Inc. v. Convertible Top Replacement Co., Inc.</i> , 365 U.S. 336 (1961)	13
<i>Auto Pneumatic Action Co. v. Kindler & Collins</i> , 247 Fed.326 (2d Cir. 1914)	20
<i>Baltzley v. Spengler Loomis Mfg. Co.</i> , 262 Fed. 426 (2d Cir. 1919)	22
<i>Bassick Co. v. Faultless Co.</i> , 105 F.2d 228 (7th Cir. 1933)	22
<i>Bendix Corp. v. Balax Inc.</i> , 421 F.2d 809 (7th Cir. 1970)	52
<i>Bishop & Babcock Mfg. Co. v. Western Auto Supply Co.</i> , 105 F.2d 886, (6th Cir. 1939)	23
<i>Black, Sivalls & Bryson, Inc. v. National Tank Co.</i> , 445 F.2d 922 (10th Cir. 1971)	47
<i>Brass Craft Mfg. Co. v. Teledyne Corp.</i> , — F. Supp. —, 180 U.S.P.Q. 486 (D. Conn. 1973)	58
<i>In re Brown</i> , 459 F.2d 531, (C.C.P.A. 1972)	41
<i>Burgess Cellulose Co. v. Wood Flong Corp.</i> , 431 F.2d 505, (2d Cir. 1970)	55
<i>Byer Mach. Co. v. Keystone Driller Co.</i> , 44 F.2d 283 (6th Cir. 1930)	22
<i>Cali v. Eastern Airlines, Inc.</i> , 442 F.2d 65 (2d Cir. 1971)	58

*Cases, continued:*Page

<i>Catalin Corp. of America v. Catolazuli Mfg. Co., Inc.</i> , 79 F.2d 593 (2d Cir. 1935).....	21
<i>Dart Industries, Inc. v. E.I. DuPont de Nemours</i> , 348 F. Supp. 1338, (N.D. Ill. 1972), rev'd 489 F.2d 1359 (7th Cir. 1973).....	28
<i>Deitel v. Unique Specialty Corp.</i> , 54 F.2d 359 (2d Cir. 1931).....	21
<i>Dole Valve Co. v. Perfection Bar Equipment, Inc.</i> , 298 F. Supp. 401, (N.D.Ill. 1968), aff'd 419 F.2d 968 (7th Cir. 1969)	36
<i>Duplan Corp. v. Deering Milliken, Inc.</i> , 370 F. Supp. 769 (D.S.C. 1973)	52
<i>Ekco Products Co. v. Chicago Metallic Mfg. Corp.</i> , 321 F.2d 550 (7th Cir. 1963)	23
<i>Electric Machinery Mfg. Co. v. General Electric Co.</i> , 13 F. Supp. 940, (S.D.N.Y. 1936).....	22
<i>Emico Corp. v. Peterson Filters and Engineering Co.</i> , 155 U.S.P.Q. 89 (D. Utah 1967), aff'd 406 F.2d 431 (10th Cir. 1968).....	32, 33
<i>Farmers Cooperative Exchange, Inc. v. Turnbow</i> , 111 F.2d 728, (9th Cir. 1940).....	41
<i>Fink v. Foscatto, Inc.</i> , 7 F. Supp. 768, (E.D. N.Y. 1934), rev'd 79 F.2d 842 (2d Cir. 1935).....	22
<i>General Electric v. P.R. Mallory & Co.</i> , 298 Fed. 579, (2d Cir. 1924)	22
<i>Graham v. John Deere Co.</i> , 383 U.S. 1; 86 S.Ct. 684 (1966)	21, 30, 32, 33, 35, 37
<i>Graver Tank & Mfg. Co. v. Linde Air Products Co.</i> , 336 U.S. 271 (1949)	13, 44, 51, 52, 54, 55

<i>Cases, continued:</i>	<u>Page</u>
<i>William Hodges & Co., Inc. v. Sterwood Corp.</i> , 348 F. Supp. 383, (E.D.N.Y. 1972).....	22
<i>Katz v. Horni Signal Mfg. Corp.</i> , 145 F.2d 961 (2d Cir. 1944).....	22
<i>Keith v. Charles E. Hires Co.</i> , 28 F. Supp. 825, (E.D.N.Y. 1939), aff'd 116 F.2d 46 (2d Cir. 1940).....	22
<i>LaSalle Street Press, Inc. v. McCormick & Hen- derson, Inc.</i> , 292 F. Supp. 276 (N.D. Ill. 1968), aff'd 445 F.2d 84 (7th Cir. 1971)	28
<i>Maloney-Crawford Tank Corp. v. Sauder Tank Co., Inc.</i> , 465 F.2d 1356 (10th Cir. 1972)	13
<i>Mastini v. American Telephone and Telegraph Co.</i> , 236 F. Supp. 310 (S.D.N.Y. 1964), aff'd 369 F.2d 378 (2d Cir. 1966)	22
<i>Maxon Premix Burner Co. v. Eclipse Fuel Co.</i> , 171 U.S.P.Q. 138 (N.D.Ill. 1971), mod. 471 F.2d 308 (7th Cir. 1972)	48
<i>Mechanical Ice Tray Corp. v. Abraham & Straus</i> , 31 F. Supp. 938 (E.D.N.Y. 1940).....	22
<i>Milcor Steel Co. v. George A. Fuller Co.</i> , 316 U.S. 143 (1942).....	13
<i>Mobil Oil Corp. v. Filtrol Corp.</i> , — F. Supp. —, 183 U.S.P.Q. 258 (C.D. Cal. 1974)	38
<i>Nelson Planning Limited v. Tex-O-Graph Corp.</i> , 380 F. Supp. 226, (S.D.N.Y. 1968), aff'd 423 F.2d 36 (2d Cir. 1970)	36
<i>Olympic Fastening Systems, Inc. v. Textron, Inc.</i> , — F.2d —, 183 U.S.P.Q. 449 (6th Cir. 1974).....	52
<i>Price v. Lake Sales Supply R.M., Inc.</i> , — F.2d —, 183 U.S.P.Q. 519 (10th Cir. 1974)	52

<i>Cases, continued:</i>	<u>Page</u>
<i>Rambusch Decorating Co. v. A. Ward Hendrikson & Co.</i> , 41 F. Supp. 512 (E.D.N.Y. 1941)	22
<i>Reeves Bros., Inc. v. U.S. Laminating Corp.</i> , 282 F. Supp. 118 (E.D.N.Y. 1968), aff'd 417 F.2d 869 (2d Cir. 1969)	22
<i>Rich Products Corp. v. Mitchell Foods, Inc.</i> , 357 F.2d 176 (2d Cir. 1966)	55
<i>Sanitary Dist. of Chicago v. Activated Sludge, Inc.</i> , 90 F.2d 727, (7th Cir. 1937)	13
<i>Sanitary Refrigerator Co. v. Winters</i> , 280 U.S. 30 (1929)	52
<i>Schnitzer v. California Corrugated Culvert Co.</i> , 140 F.2d 275 (9th Cir. 1944)	23
<i>Smith v. J.H. Smith Co., Inc.</i> , 315 F. Supp. 1059 (D. Mass. 1970)	37
<i>Smith Industries International v. Hughes Tool Co.</i> , 396 F.2d 735 (5th Cir. 1968)	13
<i>A.G. Spalding & Bros. v. John Wanamaker</i> , 256 F.2d 530 (2d Cir. 1919)	21
<i>Superior Skylight Co., Inc. v. Zerbe Construc- tion Co.</i> , 5 F.2d 982 (E.D.N.Y. 1925) aff'd 10 F.2d 710 (2d Cir. 1926)	22
<i>Taylor-Reed Corp. v. Mennen Food Products, Inc.</i> , 324 F.2d 108 (7th Cir. 1963)	23
<i>Tektronics, Inc. v. United States</i> , 445 F.2d 323 (Ct. Cl. 1971)	37
<i>Tights, Inc. v. Stanley</i> , 441 F.2d 336 (4th Cir. 1971)	52
<i>Triarc Co. v. Hartman Metal Fabricators, Inc.</i> , 479 F.2d 951 (2d Cir. 1973)	52

Cases, continued:

<i>In re Tuck</i> , 476 F.2d 650 (C.C.P.A. 1973).....	41
<i>United Carbon Co. v. Carbon Black Research Foundation</i> , 59 F. Supp. 384 (D. Md. 1945)	41
<i>Universal Oil Products Co. v. Globe Oil & Refining Co.</i> , 322 U.S. 471 (1944).....	13
<i>Vander Horst Corp. of America v. Chromium Corp. of America</i> , 98 F. Supp. 412 (S.D.N.Y. 1951) aff'd 197 F.2d 791 (2d Cir. 1952)	22
<i>Vermont Structural Slate Co. v. Tatko Bros. Slate Co.</i> , 233 F.2d 9 (2d Cir. 1956)	58
<i>Warner & Swasey Co. v. Universal Marion Corp.</i> , 237 F. Supp. 719 (D. Colo. 1964), aff'd 354 F.2d 541 (10th Cir. 1965)	29
<i>Westinghouse Electric & Mfg. v. Condit Electrical Mfg. Co.</i> , 194 Fed. 427 (2d Cir. 1911)	20
<i>Witherow Steel Corp. v. Donner Steel Co.</i> , 31 F.2d 157, (W.D.N.Y. 1929).....	22
<i>York Ice Machinery Corp. v. L. & K. Ice Corp.</i> , 6 F. Supp. 544, (S.D.N.Y. 1934)	22
<i>Zenith Radio Corp. v. Lehman</i> , 121 F. Supp. 69 (S.D.N.Y. 1954), aff'd per curiam 217 F.2d 954 (2d Cir. 1955).....	22
<i>Ziegler v. Phillips Petroleum Co.</i> , 483 F.2d 858 (5th Cir. 1973)	37, 48

Statutes:

Title 35, United States Code §101	41
Title 35, United States Code §112	15

Rules:

Rule 126, Rules of Practice in Patent Cases; July, 1973	16
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Publications:

Impact of In re Mayewsky; by R. Lupo; 55 J.P.O.S. 216	47
Manual of Patent Examining Procedure; Rev. 32; §1701	47

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BRIEF FOR PLAINTIFF-APPELLANT

I. INTRODUCTION

Moore Business Forms, Inc., the plaintiff below, appeals from a Final Judgment of the United States District Court for the Western District of New York, the Honorable John T. Curtin, United States District Judge, presiding, filed October 15, 1974, dismissing Moore's complaint for patent infringement. Such dismissal followed and was based on a Decision and Order entered

July 2, 1974 holding on summary judgment that defendant's carbonless paper did not infringe any asserted claim of the patent in suit. That Decision and Order is unofficially reported at 182 USPQ 652 but has not yet been reported officially.

II. STATEMENT OF THE ISSUES PRESENTED FOR REVIEW

With respect to the legal holding that Moore is precluded from showing equivalence because of file wrapper estoppel:

1. Can file wrapper estoppel arise from mere argument of applicant's counsel without a corresponding narrowing of claims later alleged to be infringed?

2. Can statements made during patent prosecution urging patentability of claims not in issue create an estoppel with respect to other claims that are in issue in subsequent litigation, where the statements are directed to recitations contained only in the claims not in issue?

3. Does a file wrapper estoppel arise by amendment of claims to add recitations that do not distinguish the prior art but have been acknowledged to be old in the art? Indeed, can there be a valid holding of file wrapper estoppel if the judge never examined the prior art?

4. Presuming that there is a file wrapper estoppel, is a patentee thereafter peremptorily precluded from applying the doctrine of equivalents to his claims?

With respect to the interpretation of the patent in suit:

5. Did the lower court err in treating the patent in suit as an entity rather than referring to individual claims as separate grants defining the scope of the different method, microcapsule and carbonless paper inventions claimed therein?

6. Did the lower court err in holding that all of the 14 claims charged to be infringed "are all either directed to or defined by a process for producing a free-flowing powder", when only one of those 14 claims (claim 8) is a process claim and when six of those claims (claims 24 to 29) do not recite a free-flowing powder?

7. Do carbonless paper claims 24 to 29 of the patent in suit literally recite "a free-flowing powder of microscopic discrete rupturable capsules" or simply "microscopic discrete capsules" where they refer back to "said microscopic discrete capsules" without mentioning a "free-flowing powder" and such a powder would free flow off the paper and render it inoperative?

With respect to other parts of the decision appealed from:

8. Did the lower court err in terming an affidavit by the patentee's patent expert as mere "legal argument" and another affidavit submitted to show equivalence as insufficient because it did not test the specific, accused paper?

9. Did the lower court err in holding that on this motion for summary judgment, "equivalency is a matter of law for the court?"

Of course, the ultimate issue on this appeal is:

10. Did the district court err in granting summary judgment of noninfringement on the facts before it?

III. STATEMENT OF THE CASE

A. The District Court Proceedings.

This appeal seeks review of a judgment of the lower court in a patent infringement action commenced by Moore Business Forms, Inc. of Niagara Falls, New York against Minnesota Mining and Manufacturing Company, of St. Paul, Minnesota, in the U.S. District Court for the Western District of New York on January 25, 1972. After some preliminary discovery proceedings, 3M moved for summary judgment that its so-denominated Type 200 paper did not infringe the patent in suit, U.S. Patent No. 3,016,308 because 3M used a water slurry of capsules and, according to 3M, each of the claims asserted by Moore recited a "free-flowing powder" of capsules.

In opposition to the motion, Moore filed several briefs and two affidavits, one by a technical expert who produced and tested papers made (1) from a free-flowing powder and (2) from a water slurry of the same capsules. The technical expert attached samples of the two papers so produced and said they were substantially identical. The other affidavit submitted by Moore in opposition to summary judgment was by an expert in patents and Patent Office practice, who analyzed the file history of the patent and explained the intricate path to allowance of most pertinent claims of the patent during Patent Office prosecution. He concluded from his study that there was no file wrapper estoppel that would preclude application of the doctrine of equivalence to the term "free-flowing powder" and that as to several claims there was literal infringement by 3M's accused paper because those claims did not recite a free-flowing powder. 3M filed affidavits only to show the process by means of which its paper was made; at no time did it file affidavits

contradicting those filed by Moore's technical and patent experts.

The lack of such 3M affidavits notwithstanding, the lower court, in the Decision and Order here appealed from, granted 3M's motion for summary judgment on the basis that, without referring to individual claims, the thrust of the patent was toward a particular process feature argued by counsel in obtaining the patent. Therefore, the court held, plaintiff was precluded by file wrapper estoppel from attempting to show by the affidavit of its technical expert that a slurry was the equivalent of powder of capsules. Further, the court denigrated the affidavit of Moore's patent expert as "legal argument only" and gave it no credence. After a stipulation among counsel for the parties, a final judgment was entered that had the effect of transforming the partial summary judgment of the Decision and Order of July 2, 1974 into a final order of judgment. This appeal followed.

B. Statement of Relevant Facts.

This action was commenced on January 25, 1972 when Moore Business Forms, Inc. filed a complaint alleging infringement of U.S. Patent No. 3,016,308 (Ex. Tab A)¹ issued in the name of the inventor, Norman Macaulay, and assigned to plaintiff Moore.

As will be apparent from an examination of the patent itself, it is directed to and is entitled, "Recording Paper Coated with Microscopic Capsules of Coloring Material,

¹ The following abbreviations are used:

Ex: the Exhibit to the Joint Appendix, followed by the Tab and page number of the Exhibit;

A: the printed Joint Appendix, followed by the page number of the Joint Appendix.

Capsules and Method of Making." The Macaulay patent contains a specification (columns 1 to 12) which includes 15 separate numbered examples (columns 8 to 11) and terminates with 29 individual claims (columns 12 to 16) directed to a process for making capsules (claims 1 to 10), microscopic capsules *per se* (claims 11 to 22) and sheets of copying paper (claims 23-29).

In less technical language, the patent is directed toward so-called carbonless copying paper in which microscopic capsules are coated on one surface of a sheet of paper. A marking fluid, or one that can react to create color, is contained within the shells forming the outer walls of the capsules. When the shells of the capsules are ruptured, as by pressure from a stylus or other means, e.g., a typewriter, the marking fluid exudes from the capsules onto a copy sheet, which is thereby marked in accordance with the pattern of the rupture. Consequently, by this means an image is transferred from a record sheet coated with microcapsules to a copy sheet without the necessity of utilizing carbon paper as an intermediary between the sheets.

The Macaulay patent issued on January 9, 1962. (Ex. Tab A-1). The application on which that patent issued was filed August 6, 1957. In the ensuing four and one-half years a careful scrutiny of the patent application was made by the Patent Office, as will be attested by the file wrapper or history of the patent. (Ex. Tab B). Evidence of the thoroughness with which the Patent Office examined this patent is indicated by the fact that the file history occupies 140 numbered pages.² While

² The page numbers of the Macaulay file wrapper, as a unit, are indicated in hand-writing at the bottom of each page. The Exhibit page numbers, which run consecutively throughout the entire Exhibit, are located in the upper right-hand corner of each page.

Macaulay did not claim to be the inventor of carbonless copying paper, he did, and does claim, to be the inventor of significant improvements in that art. These improvements differ in form and scope, as will be apparent from the fact that there are process, microcapsule and carbonless paper claims (29 *in toto*). All of these claims were not asserted in the present litigation. As correctly noted by the District Court in its Decision and Order entered July 2, 1974 (A. 76 to 90) 14 claims of the 29 were charged to be infringed by 3M's manufacture, use and sale of the Type 200 paper. These are claims 8, 11, 12, 13, 16, 17, 22, 23, 24, 25, 26, 27, 28 and 29, which the Court said were "... directed to or defined by a process for producing a free-flowing powder." (A. 84). It will be apparent from an inspection of these claims that while claim 8 is directed to a process (Ex. Tab A-9), claims 11 to 13, 16, 17 and 22 are directed to a free-flowing powder of microcapsules and claims 23 to 29 are directed to sheets coated with microcapsules.

After some initial discovery by both parties, on July 2, 1973, 3M moved for "Summary Judgment of Dismissal" (A. 14 to 16). The basis of that motion was simply that, according to 3M, each of the asserted claims was limited by the recitation of a "free-flowing powder" of microcapsules and, according to an affidavit of Dean A. Ostlie, a 3M employee, sworn to June 29, 1973 (A. 17 to 21), 3M did not make its paper from capsules that were ever a free-flowing powder. So, 3M contended, the asserted claims did not literally read on the accused 3M process, capsules or paper and there was no infringement.

—3M has always maintained that it formed its capsules in an aqueous (water) slurry and maintained them in that slurry until they were coated on paper. (A. 20). It has never filed an affidavit, however, to show that its capsules

were different in composition, structure or function from the capsules recited in the Macaulay claims. Indeed, it admitted in answer to plaintiff's interrogatory No. 46 (Ex. Tab H-235) that the capsules it has used to form the accused Type 200 paper, the subject of the motion for summary judgment, are urea-formaldehyde shell wall capsules. Such shell wall composition is not only claimed but disclosed in Example IV (Ex. Tab A-7) of the Macaulay patent in suit. Consequently, the sole issue raised by the Motion for Summary Judgment is whether any of asserted claims 8, 11 to 13, 16, 17, and 22 to 29 was infringed by 3M's carbonless paper, or capsules coated thereon, or the process by means of which the capsules were made. So stating the issue presumes that 3M is correct in its averment that its carbonless paper is made from microcapsules formed and maintained in a water slurry until coated on the paper.

After service of the Motion for Summary Judgment, plaintiff Moore began a concerted effort by discovery procedures to obtain probative evidence concerning whether the assertion in Dr. Ostlie's affidavit that 3M's microcapsules were always maintained in a slurry form was factually correct. The lower court referred to this aspect of discovery in a manner critical to plaintiff in its Decision and Order appealed from. (A. 76 to 78). The present appeal, however, does *not* involve any issue as to discovery, so for the purposes of this appeal, Dr. Ostlie's affidavit (A. 17) in support of summary judgment should be accepted as factually correct.³

Having failed at its efforts at discovery, and no decision having been rendered on the Motion for Sum-

³ Although it has been unable to obtain discovery, Moore points out that there are presently pending separate motions under Rule 37, F.R.Civ.P., brought by it. (R. 24, 26, 34, 43, 51) There is no order of the court deciding any of these motions.

mary Judgment filed July 2, 1973, on February 22, 1974, Moore served a Motion to Dismiss Pending Motion for Summary Judgment. (A. 35; R. 45) Annexed in support of that motion were affidavits of Robert E. Burns (A. 37 to 46) and William D. Swiercz. (A. 46 to 50).⁴ In response to the Motion to Dismiss Pending Motion for Summary Judgment, 3M filed no additional affidavits.

The Burns and Swiercz affidavits notwithstanding, the district court handed down a Decision and Order (A. 76 to 90) entered July 2, 1974, granting the Motion for Summary Judgment. While the Decision and Order granted only partial summary judgment, because at that time another issue of infringement by 3M's so-called cosmetic capsules was still outstanding, the parties entered into a Stipulation of October 4, 1974 (R. 64, A. 94 to 96) dismissing without prejudice the charge of infringement by those capsules in order to obtain an immediate appeal. On the basis of that stipulation the lower court entered a one-page final judgment (A. 97) on October 15, 1974, which effectively transformed the Decision and Order of July 2, 1974 into a grant of summary judgment of noninfringement by the sole remaining product accused of infringement: the Type 200 paper. This appeal was taken by Notice of Appeal (A. 99) filed October 21, 1974.

The Decision and Order (A. 76 to 90) appealed from was based on the holding "... that the entire thrust of the patent applicant's two revisions was to distinguish his *process* of producing microcapsules as a free-flowing

⁴ While these affidavits have been reproduced in full, the exhibits to the Swiercz affidavit, being unique, could not be so reproduced but are only described. The original Swiercz exhibits are annexed to his affidavit in R. 45.

powder from the *process* of producing microcapsules in aqueous dispersions. The conclusion seems inescapable that the patent office granted the Macaulay patent with the limitation that the *process* patented was the *process* of producing microcapsules by spray-drying." (A. 89)⁵ Previously at A. 86 to 89, the court had quoted at length from arguments made by Macaulay's attorney during prosecution of the patent application. The court quoted statements emphasizing that, by a process such as spray-drying, Macaulay simultaneously formed the shell wall of his capsules and dried the capsules.

So, the lower court continued, "It is clear from the proceedings before the patent examiner that the applicant intended to distinguish the *process* by which the shell wall is produced by drying from the *process* of producing the shell wall in aqueous dispersion." (A. 89) The court, stating that it was uncontroverted that 3M does not spray-dry or otherwise form and dry its capsules in one process step, concluded, "[t]he court finds that plaintiff is precluded, because of file wrapper estoppel, from attempting to show as it does in the Swiercz affidavit that producing microcapsules in aqueous dispersions is equivalent to producing microcapsules as a free-flowing powder." (A. 90). The lower court thus granted summary judgment without any affidavit assistance with respect to the Macaulay patent, its complex file wrapper or functional equivalence.

Subsequent to the filing of the Notice of Appeal, a procedural question with substantive implications arose. After the parties could not agree to the contents of the record on appeal insofar as it included the three Green

⁵ Unless otherwise noted, emphasis by italicization has been added and is not in the original.

patents cited extensively in the Decision and Order appealed from (A. 82, 83, 85, 86, 87, 88, 89), the Macaulay patent in suit (Ex. Tab A-1), the Macaulay file wrapper (Ex. Tab B-56, 62, etc.), and many briefs by both parties, Moore brought a Motion to Correct or Modify Record under Rule 10(e), F.R.A.P. (A. 100) on December 18, 1974. The basis of that motion was to add the three Green patents, which were not found in the file of the case, to the record on appeal. 3M opposed the motion on the basis that the prior art Green patent documents had never been brought to the attention of the court by it or Moore (A. 102) and so those patents, although the "prior art" over which the Macaulay patent issues, were not part of the record. After oral argument on December 23, 1974, the district judge denied Moore's motion (A. 109), agreeing with 3M that the Green patents were not part of and should not be added to the record on appeal.

IV. SUMMARY OF ARGUMENT

In all sincerity, the errors made by the district court in granting summary judgment are so numerous and extensive as to defy laconic yet cohesive summation. Basically, in holding that Moore was estopped by the file wrapper of the Macaulay patent from asserting infringement by a water slurry of microcapsules but was limited to capsules in the form of free-flowing powder, the court never reached, let alone made a cogent determination of the issue of file wrapper estoppel.

File wrapper estoppel requires that claims narrowed to avoid the prior art cannot later be interpreted to encompass the scope they would have had before they were narrowed. Yet the lower court never looked to see whether the asserted claims had been narrowed and,

amazingly, never examined the prior art. It based its holding of estoppel on statements made by Macaulay's solicitor while prosecuting process claims directed to spray-drying although these claims have never been asserted against 3M. This error was compounded by the court's failure to refer to individual claims on the issue of infringement, and treating all the claims as a single unit limited to the process of spray-drying although all but one of the asserted claims is directed to capsules or carbonless paper *per se* and not a process. Other egregious errors of substance include a failure even to refer to carbonless paper claims such as claim 24, which do not recite that the capsules are in the form of free-flowing powder and so are literally infringed without need to resort to the doctrine of equivalents. Further, the lower court was unwarranted in rejecting the affidavit of Moore's patent expert Burns in its entirety, as well as that of its art expert Swiercz, especially in the absence of opposing affidavits.

The fact that all this occurred on summary judgment where the burden of proof is always on the movant-infringer, 3M emphasized the erroneous approach of plucking from the context of a complex file wrapper some statements about spray-drying and simplistically applying them to the claims as an entity to read a spray-drying limitation into all 29 claims of the patent in suit.

V. ARGUMENT

A. The Patent Claims in Issue.

1. The claims of the patent measure the grant.

It is inchoate to the law of patents that "... the claims made in the patent are the sole measure of the grant..." *Aro Manufacturing Co., Inc. v. Convertible Top Replacement Co., Inc.*, 365 U.S. 336, 339 (1961). This tenet is common to many other Supreme Court cases, including *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U.S. 271 (1949); *Universal Oil Products Co. v. Globe Oil & Refining Co.*, 322 U.S. 471 (1944); *Milcor Steel Co. v. George A. Fuller Co.*, 316 U.S. 143 (1942).

From this precept, it follows, "And each claim must stand or fall, as itself sufficiently defining invention, independently of the others." *Altoona Publix Theatres v. American Tri-Ergon Corp.*, 294 U.S. 477, 487 (1935). So, "... each claim of a patent constitutes a separate grant of monopoly, and each must be considered by itself both with respect to validity and infringement." *Sanitary Dist. of Chicago v. Activated Sludge, Inc.*, 90 F.2d 727, 730 (7th Cir. 1937); citing *Altoona Publix Theatres, supra*. Expressed otherwise, separate patent claims define separate inventions. *Maloney-Crawford Tank Corp. v. Sauder Tank Co., Inc.*, 465 F.2d 1356, 1365 (10th Cir. 1972); *Smith Industries International v. Hughes Tool Co.*, 396 F.2d 735, 736 (5th Cir. 1968).

2. Two representative claims.

As the district judge correctly stated, only 14 of the 29 claims of the Macaulay patent were asserted to be infringed by 3M. Of those claims, product claims 11 and

24 are believed to be representative.⁶ For the purpose of simplification, emphasis will be placed on those claims, which are reproduced hereinafter:

11. A free-flowing powder of microscopic discrete rupturable capsules having a particle size of between about 0.1 and 70 microns diameter, said capsules comprising liquid droplets encapsulated within an outer shell rupturable under pressure, said liquid droplets being substantially insoluble in and incapable of dissolving said outer shell and comprising between about 23% and 80% by weight of said capsules, said outer shell having a thickness comprising from about one-tenth to one-third of the capsule diameter and comprising a material selected from the class consisting of a non-ionizable water-soluble film-former and a hydrophobic water-insoluble film-former.

24. A record copying sheet having on at least a portion of one side thereof a coating of microscopic discrete capsules comprising a rupturable shell containing therein a marking fluid capable of being liberated when the shells of said discrete capsules are ruptured upon being subjected to external pressure, said capsules being held to said sheet by a binder which is of a different substance from that forming the rupturable shell of said capsules, said microscopic discrete capsules being those defined by claim 11.

Claim 11 is representative because it is the basic claim directed to capsules *per se*. Each of claims 12 to 22, of which claims 12, 13, 16, 17 and 22 have been asserted to have been infringed, are written in dependent form based on claim 11, i.e., they include all of the limitations of claim 11 and further modify or narrow the scope of claim

⁶ While asserted claim 8 is a process claim, on summary judgment the issues with respect to it are substantially identical to those concerning claim 11.

11. 35 U.S.C. §112. Claim 24 is one of the basic claims defining paper coated with microcapsules to form a sheet of carbonless carbon paper. It is included as a representative claim because there is an additional reason why claim 24 and, indeed, claims 25 to 29 which are written in the same manner as claim 24, are infringed by the defendant's carbonless paper.

With these two claims 11 and 24 before the Court, the issue to be determined by the Court may be again restated: With respect to claim 11, which recites "A free-flowing powder of microscopic discrete rupturable capsules" has 3M sustained its burden of showing that the same capsules mixed with water are not equivalent to a powder of capsules? With respect to claim 24 there is a preliminary issue: Is claim 24 limited by its terms to powder of capsules, or merely to capsules? If the "free-flowing powder" recitation of claim 11 is not incorporated by reference into claim 24, then so far as summary judgment is concerned, there is literal infringement and the decision on appeal, being based on the holding that the doctrine of equivalents cannot be extended to the term, free-flowing powder, is beside the point. There is literal infringement and no need to apply the doctrine of equivalents. If in some manner not apparent claim 24 does include the recitation of a "free-flowing powder", then the second issue with respect to claim 24 will be the same as that applied to claim 11: Was the lower court correct in holding that Moore was barred by file wrapper estoppel from applying the doctrine of equivalents to equate the claimed free-flowing powder of capsules with a mixture of identical capsules in water?

B. There is No file Wrapper Estoppel With Respect to the Term, Free-Flowing Powder, in the Asserted Claims.

1. The prosecution of the representative claims in the Patent Office.

The file wrapper (Ex. Tab B-12 to 156) of the Macaulay patent is a complicated, lengthy document occupying 142 pages of Patent Office records. Although the Macaulay patent was issued with 29 claims, at one time or another 52 separately numbered *application* claims were before the Examiner. Basic to an understanding of the file history is recognition that the numbered claims in the patent application generally do not correspond to the same numbered claims in the issued patents.⁷ For example, the claims of an issued patent always begin with claim 1, even if claim 1 of the application was never allowed.

So, in the Macaulay patent, the Patent Office Examiner renumbered the allowed claims of the application so that they would be in what the Examiner considered a logical order in the issued patent. The Examiner accomplished such renumbering by Paper No. 16 on pages 131 and 132 of the file wrapper. (Ex. Tab B-146 and 147) A

⁷ Rules of Practice in Patent Cases; July, 1973, states:

"126. Numbering of claims. The original numbering of the claims must be preserved throughout the prosecution. When claims are canceled, the remaining claims must not be renumbered. When claims are added, except when presented in accordance with rule 121(b), they must be numbered by the applicant consecutively beginning with the number next following the highest numbered claim previously presented (whether entered or not). When the application is ready for allowance, the examiner, if necessary, will renumber the claims consecutively in the order in which they appear or in such order as may have been requested by applicant."

quick glance at those pages will show that issued patent claim 11 is application claim 36; issued patent claim 24 is renumbered application claim 15.

The only evidentiary assistance that the lower court received in attempting to make sense out of the complicated file history was contained in the affidavit of Robert E. Burns (A. 37 to 46) submitted with Plaintiff's Motion to Dismiss Pending Motion for Summary Judgment (A. 35 to 36). This was the same affidavit, however, that the trial court dismissed with the statement that it was "... legal argument only." (A. 82) While his affidavit does conclude with an opinion based on the facts, Mr. Burns, an eminent patent attorney and former Patent Office Examiner, carefully traced the prosecution of patent claim 11 in his affidavit (A. 41 to 42). He stated, under oath, that patent claim 11 had been added as application claim 36 by amendment C (Ex. Tab B-80) and that it was allowed without amendment. Mr. Burns went further. He traced the claims that had been cancelled when application claim 36 was added to ascertain whether the "free-flowing powder" language of application claim 36 had been added to replace a simultaneously canceled claim in which the term "free flowing powder" was not used. (A. 42) Mr. Burns found that every claim canceled at the time that application claim 36 was inserted had contained the term "free-flowing powder"; consequently, application claim 36 (which is now patent claim 11) was never narrowed to include the term "free-flowing powder".

3M has never by affidavit or otherwise contradicted Mr. Burns on this point. Indeed during a hearing on March 11, 1974, during colloquy between Edward A. Haight, lead patent counsel for 3M, and Walter D. Ames, representing Moore, the following was said at A. 70:

"MR. AMES: Mr. Haight, do you agree then with Mr. Burns' tracing the history of the claim[s] as he did in his affidavit?"

MR. HAIGHT: I don't recall anyplace I disagree but I don't agree with his conclusion.

MR. AMES: Fine.

MR. HAIGHT: And I don't agree that you have to, and in this case you should trace the history the way he did, but I do believe it was accurate tracing of the history."

So, both Moore and 3M agreed that patent claim 11 had never been narrowed with respect to the term, "free-flowing powder."

What did the district court say with respect to whether the term "free-flowing powder" had been added to patent claim 11? It said absolutely nothing. Indeed, while it quoted extensively from the file history, it only quoted from the "remarks" Macaulay's attorney made during prosecution. The lower court never bothered to see what claims had been amended or how. Mr. Burns' affidavit and 3M's concurrence notwithstanding, the district court disregarded the evolution of the claims in the file wrapper and thereby committed basic error.

With respect to patent claim 24, Mr. Burns traced its torturous path (A. 44 to 45), again without contradiction. He pointed out that the only modification of application claim 15, which became patent claim 24, was the addition of these words, "said microscopic discrete capsules being those defined by [application] claim 36."⁸ (Ex. Tab B-50 and 84)

⁸ The reference to application claim 36 was later changed to refer to patent claim 11.

The term "free-flowing powder" was, according to Mr. Burns' affidavit, never added to claim 24. With further regard to patent claim 24, Mr. Burns stated as a fact that there was literal infringement and that even had the term "free-flowing powder" been added, it would not have distinguished the prior art. The district court, even in the absence of contrary affidavits, dismissed Mr. Burns' statements with respect to patent claim 24 along with the rest of the Burns affidavit by utter disregard.

2. The prosecution of the other asserted claims.

Prosecution of the remainder of the claims of the Macaulay patent asserted to be infringed by 3M was similar to patent claims 11 and 24, more specifically referred to as the representative claims. Claim 8, the sole asserted process claim, was never amended to add the term "free-flowing powder". It began as application claim 10, the history of which was traced by Mr. Burns in his affidavit (A. 40 to 41). As will be noted, application claim 10 as filed (Ex. Tab B-49) included the term, "free-flowing powder."

Mr. Burns reviewed the file history of patent claims 16, 23, 25 and 27 at A. 42 to 45 and swore to the same fact: in none of those claims was there any restriction of the claims to a "free-flowing powder" during the prosecution of those claims. The same is true with respect to the other asserted patent claims not reviewed by Mr. Burns: 12, 13, 17, 22, 26, 28 and 29. It is not believed necessary to trace their courses through the Patent Office. The focus of this brief will be on patent claims 11 and 24. If summary judgment was improper as to those claims, it was and is improper for the same reasons as to all the asserted claims.

3. The firm rule of the Second Circuit is that an estoppel can arise only when claims have been narrowed.

It having been agreed by counsel for both plaintiff and defendant that patent claim 11 of the Macaulay patent was never narrowed, let alone by the addition of a phrase such as "a free-flowing powder", and the only probative evidence in this regard being the Burns affidavit, the next step is to see whether the fact that claims such as claim 11 were not narrowed has any meaning with respect to the employment of file wrapper estoppel. It does. In this circuit, no question of file wrapper estoppel can even arise without a narrowing or modification of the claim in issue. In the absence of such narrowing or modification, arguments of the applicant are to be disregarded. If there is such a legal creature as a "rule of law", that rule in the Second Circuit is fixed, established and absolute.

The origins of the doctrine are difficult to trace.⁹ In any case, the rule, like so many others in the patent field, was established by Judge Learned Hand, who spoke for this court in *Auto Pneumatic Action Co. v. Kindler & Collins*, 247 Fed. 323, 328 (2d Cir. 1914):

"We are far from being willing to establish a rule that arguments made in the Patent Office by the applicant to the examiner are to be taken as a measure of his patent. We read the claims as they are written, like the language of any other formal statement drawn up as the final memorial of the parties' intentions, and we decline to consider what was said *arguendo* during the passage of the case through the Patent Office, or any other of the preliminary negotiations which the patent itself was intended to subsume."

⁹ It may have arisen in *Westinghouse Electric & Mfg. v. Condit Electrical Mfg. Co.*, 194 Fed. 427 (2d Cir. 1911).

Judge Hand had other occasions to reaffirm the rule. Thus, in *A. G. Spalding & Bros. v. John Wanamaker*, 256 Fed. 530, 533 (2d Cir. 1919), he stated:

"We take this occasion, however, once more to say that in consideration of a file wrapper we do not look at the arguments of the applicant to the examiner. We wish it to be understood that, as we conceive the purpose for which the file wrapper can be examined, it covers simply the question of estoppels through rejected claims."

Time passed and Judge Hand again expounded the rule in *Catalin Corp. of America v. Catolazuli Mfg. Co., Inc.*, 79 F.2d 593, 594 (2d Cir. 1935) in this manner:

"If the doctrine of the 'integration' of a written instrument has any basis at all, surely it should apply to such a document, for if a patent can be construed only by threading one's way through all the verbal ingenuities which casuistical solicitors develop to circumvent the objections of examiners, a labyrinth results, from which there is no escape. For this reason we have steadily refused to look further than to learn this: whether a patentee who seeks to disavow an element of his claim, was forced to introduce it in order to avoid rejection."

This Court has affirmed and reaffirmed the Learned Hand rule and has conformed to the Supreme Court holding in *Graham v. John Deere Co.*, *infra* p. 30, that, in order for file wrapper estoppel to apply, the claim language that the patentee now seeks to expand by the doctrine of equivalents, must itself have been narrowed to avoid a rejection on the prior art; mere argument of counsel does not give rise to such an estoppel. Other decisions of this circuit so holding are *Deitel v. Unique Specialty Corp.*, 54 F.2d 359 (2d Cir. 1931) and *Katz v.*

Horn Signal Mfg. Corp., 145 F.2d 961 (2d Cir. 1944). This Court has also affirmed district court decisions so stating in *Zenith Radio Corp. v. Lehman*, 121 F.Supp. 69 (S.D.N.Y. 1954), aff'd per curiam 217 F.2d 954 (2d Cir. 1955); *Mastini v. American Telephone and Telegraph Co.*, 236 F.Supp. 310 (S.D.N.Y. 1964), aff'd 369 F.2d 378 (2d Cir. 1966), and *Reeves Bros., Inc. v. U. S. Laminating Corp.*, 282 F.Supp. 118 (E.D.N.Y. 1968), aff'd 417 F.2d 869 (2d Cir. 1969). There are other Second Circuit decisions in point,¹⁰ and the rule has been uniformly followed by district courts throughout the jurisdiction of the Court of Appeals for the Second Circuit.¹¹ The rule also has been respected by Courts of Appeals at other circuits, particularly the Sixth and Seventh Circuits.¹²

¹⁰ *Baltzley v. Spengler Loomis Mfg. Co.*, 262 Fed. 426 (2d Cir. 1919); and *General Electric v. P.R. Mallory & Co.*, 298 Fed. 579 (2d Cir. 1924).

¹¹ *Superior Skylight Co., Inc. v. Zerbe Construction Co.*, 5 F.2d 982 (E.D.N.Y. 1925), aff'd 10 F.2d 710 (2d Cir. 1926); *Wetherow Steel Corp. v. Donner Steel Co.*, 31 F.2d 157 (W.D.N.Y. 1929); *Fink v. Foscatto, Inc.*, 7 F. Supp. 768 (E.D.N.Y. 1934), rev'd 79 F.2d 842 (2d Cir. 1935) on other grounds; *York Ice Machinery Mfg. Co. v. L. & K. Ice Corp.*, 6 F. Supp. 544 (S.D.N.Y. 1934); *Electric Machinery Mfg. Co. v. General Electric Co.*, 13 F. Supp. 940 (S.D.N.Y. 1936); *Keith v. Charles E. Hires Co.*, 28 F. Supp. 825 (E.D.N.Y. 1939), aff'd 116 F.2d 46 (2d Cir. 1940) on grounds of estoppel; *Mechanical Ice Tray Corp. v. Abraham & Straus*, 31 F. Supp. 938 (E.D.N.Y. 1940); *Rambusch Decorating Co. v. A. Ward Hendrikson Co.*, 41 F. Supp. 512 (E.D.N.Y. 1941); *Vander Horst Corp. of America v. Chromium Corp. of America*, 98 F. Supp. 412 (S.D.N.Y. 1951), aff'd 197 F.2d 791 (2d Cir. 1952) on other grounds; and *William Hodges & Co., Inc. v. Sterwood Corp.*, 348 F. Supp. 383 (E.D.N.Y. 1972).

¹² *Byer Mach. Co. v. Keystone Driller Co.*, 44 F.2d 283 (6th Cir. 1930); *Bassick Co. v. Faultless Co.*, 105 F.2d 228 (7th Cir.

[footnote continued]

Although the rule of the Second Circuit was brought to the attention of the Trial Court time and again in briefs, and although Mr. Haight has admitted in open court that Mr. Burns' affidavit was factually correct, the district court never considered whether the claims had been narrowed or the cases cited, but directed its attention only to the remarks of the applicant's solicitor in the file wrapper.

4. The lower court improperly transferred remarks.

- (a) The quoted statements were made with respect to nonasserted claims and referred to process limitations.

Commencing at A. 86 of its opinion, the lower court extensively quoted from arguments made by Macaulay's solicitor during the prosecution of his patent application. Candidly, those quotations are excerpted without regard to the claims to which they apply, without regard to whether they explain if and why a claim was correspondingly narrowed, or really in any precise order. They seem merely to have been extracted from the file wrapper (Tab B) wherever it appeared they might be of value in supporting the holding of the lower court. Indeed, in one instance a sentence immediately subsequent to the quotation, which made a contrary statement, was omitted.

1939); *Bishop & Babcock Mfg. Co. v. Western Auto Supply Co.*, 105 F.2d 886, 889 (6th Cir. 1939); *Schnitzer v. California Corrugated Culvert Co.*, 140 F.2d 275 (9th Cir. 1944); *Ekco Products Co. v. Chicago Metallic Mfg. Corp.*, 321 F.2d 556 (7th Cir. 1963); and *Taylor-Reed Corp. v. Mennen Food Products, Inc.*, 324 F.2d 108 (7th Cir. 1963).

The first quotation abstracted from the file wrapper is found in the Exhibit, Tab B, page 66. The quotation was made without regard to any particular claim, but described generally how the process of Macaulay distinguished from the Green process because the Macauley process spray-dries and thereby simultaneously forms a capsule and dries the capsule. This is an interesting process, and it is quite true with respect to certain of the *nonasserted process claims*. Yet what does that have to do with the capsule and carbonless paper claim represented by claims 11 and 24? The paragraph from which the quotation is taken begins at page 50 of the file wrapper (Ex. Tab B-65), which generally described "applicant's process". There applicant also said his process could employ a molten, hot material, and then chilling the hot material. What the lower court chose to do was to abstract the quoted portion of the remarks set forth in its decision at A. 86 and then read that limitation into every claim, asserted or nonasserted, without regard to the claim language. By the same logic the court could have read the requirement into every claim that the shell be formed from a molten material and subsequently chilled. Yet the latter course is equally incoherent and underlies the fallacy of plucking parts of a solicitor's arguments without regard to specific claims.

The next quotation on which the court relies is with respect to "claim 22" of the application (A. 86). This claim, of course, is *application* claim 22, not *patent* claim 22. Unquestionably, patent claim 22 has been asserted as being infringed by 3M. However, application claim 22 was canceled and rewritten with application claim 23 to produce dependent application claim 43 that bears no resemblance either to patent claim 22 or 23 (Ex. Tab B-141). Application claim 43 became patent claim 14

(Ex. Tab B-147), and patent claim 14 was not asserted. As will be more particularly pointed out *infra*, application claim 22 improperly included a process limitation as part of a definition of the product therein claimed and this process limitation was forced to be removed from the claim before it issued as nonasserted claim 14.

The lower court then turned to "claim 11" (A. 87) and stated quite correctly that "... claim 11 was 'amended to specify that the evaporation is achieved by use of a spray drier (not merely drying a *dispersion of previously formed capsules* as in the Green patents),' " [emphasis in original]. The court was absolutely correct in so stating, but it had the wrong claim in mind. Application claim 11 became issued claim 2 of the Macaulay patent in suit. That claim is dependent on patent claim 1 and simply says:

"A process defined by claim 1, wherein the drying is accomplished by spray evaporation."

There is a file wrapper estoppel with respect to spray-drying or spray evaporation as recited in patent claim 2 but what has that to do with the rest of the claims? Since Moore has never had information that 3M spray dried, it has never asserted claim 2 against 3M.

With all due respect, the conclusion is inescapable that in selecting remarks made about "claim 11" the lower court thought the remarks were being made about issued *patent* claim 11, the basic capsule claim and one of the representative claims herein. This was probably the case when it quoted from statements made about application claim 22, which became nonasserted patent claim 14. Since the application claims finally allowed were all renumbered by the Patent Office (Ex. Tab B-146 and 147), the judge's references to "claim 22" and "claim 11" are simply meaningless.

Continuing with its indiscriminate excerpting from the file wrapper, the court at pages A. 87 to 88 referred to application claims 14 to 20 which became issued claims 23 to 29, which are asserted. In this lengthy quotation, the court omitted the last sentence of the paragraph which reads, "In view of the results achieved by the applicant's copy sheet and the *difference in the character of the capsules employed*, it is submitted that these claims are clearly patentable over the prior art." (Ex. Tab B-90) So completed, these claims to carbonless paper were argued to be patentable because of "the difference in the character of the capsules employed" and their "unique microscopic discrete rupturable capsules", as well as process advantages.

The process talk was just that: talk. Since the claims were directed to a product—carbonless paper—and contained no process limitations, process arguments were meaningless. The history of the mode in which the Examiner treated application claim 22 (Ex. Tab B-137), where he demanded and applicant's attorney finally agreed to remove all process limitations from what became issued claim 14, show beyond doubt that what finally convinced the Examiner was the fact that applicant's capsules were unique. They were formed, e.g., from a polycondensation polymer, such as urea formaldehyde. That is and must be the essence of claims 23 to 29. They are drawn to a carbonless paper and it is their structure, not the process by which they were made that must be novel and non-obvious in view of the prior art.

The court continues to abstract process statements from the file wrapper at A. 88 and A. 89, and it is certainly true that, as the lower court said at A. 88, applicant was "... attempting to distinguish his *process* of producing substantially dry microcapsules from the

previous art." What that has to do with claims such as patent claim 11 drawn to microcapsules and patent claim 24 directed to carbonless paper is not clear, particularly when the trial court omitted statements such as that found in the appeal brief (Ex. Tab 106 to 107) where the argument was made:

"These [Green] shell forming or film forming substances are markedly different from those which are the subject of appellant's claims. The appellant's claims specify the use of film formers of two general classes.

* * *

"These materials are clearly different from those of the Green patent, which must be ionizable as well as water soluble."

So, for some reason the district court abstracted process arguments made during prosecution of the application without regard to claims to which the arguments were made and completely disregarded product arguments, then held that "...the entire thrust of the patent applicant's two revisions was to distinguish his process of producing microcapsules as a free-flowing powder from the process of producing microcapsules in aqueous dispersions." (A. 89) This simplistic approach is not in accord with any meaningful determination of file wrapper estoppel.

(b) The case law precludes transfer of remarks.

The law of transference is that a solicitor's statements urging patentability of a claim that recites certain limiting language cannot be transferred to limit other claims that do not contain the limiting recitations. Although this

statement is probably self-apparent, there are several cases that so state.

A case squarely in point is *LaSalle Street Press, Inc. v. McCormick & Henderson, Inc.*, 292 F.Supp. 276, 280, 281 (N.D. Ill. 1968); aff'd in pertinent part 445 F.2d 84 (7th Cir. 1971). In the detailed opinion of the district court, Judge Marovitz said:

"Only apparatus claim 4 was amended so as to be patentable over prior art patents, which related to the slug construction. In responding to the Patent Office actions which rejected that claim, plaintiff made a final amendment and suggested that neither of the disputed prior art patents suggest 'a type slug employing a printing projection that is removably secured by way of a narrow base portion . . .'" Claim 4 was thereafter approved.

"But arguments made during the file wrapper history as to apparatus claim 4 cannot limit process claims 1-3, as to which no limitation was necessary. The law is clear that file history arguments relating to claims not in issue, and not accompanied by corresponding limitations to the claims in issue, cannot create 'file wrapper estoppel'."

The facts of *LaSalle Street Press* are directly applicable. Process patent claim 2 contains the "spray evaporation" limitation; product claim 11 does not nor, indeed, does any claim asserted by Moore against 3M. Patent process claim 2, which is not in issue, cannot create an estoppel with respect to patent product claim 11, which does not contain the "spray evaporation" limitation.

Another case having facts similar to and citing *LaSalle Street Press* is *Dart Industries, Inc. v. E. I. DuPont de Nemours*, 348 F. Supp. 1338 (N.D. Ill. 1972), rev'd on other grounds, 489 F.2d 1359 (7th Cir. 1973).

An important case of even more compelling weight is *Warner & Swasey Co. v. Universal Marion Corp.*, 237 F. Supp. 719 (D. Colo. 1964); aff'd sub nom. *Universal Marion Corp. v. Warner & Swasey Co.*, 354 F.2d 541 (10th Cir. 1965). In the district court decision at pages 738 and 739 of 237 F. Supp., Chief Judge Arraj discussed at length application of the doctrine of file wrapper estoppel on the basis of statements made in support of claims. The court refused to transfer an estoppel argument made with respect to certain claims to other claims, although apparently all the claims were apparatus claims. The court stated:

"Defendant's whole estoppel argument is based on the statement made by plaintiff's attorney accompanying the submission of application claims 59-65. To properly assess the merit of defendant's argument, the Court has carefully scrutinized this statement and the accompanying correspondence. The attorney stated that the ' . . . claims distinguish . . . by reciting . . . parallel beam members. . . .' But clearly claims 6-9 make absolutely no mention of 'parallel beam members' Therefore, logic alone demands the conclusion that the attorney was either referring to other claims than those in question or that he made a clearly erroneous statement.

"The correspondence in question refers not only to application claims 59-65 but also to application claims 66-71. The wording of application claims 69 and 70 includes 'parallel beam members,' therefore when the attorney stated the three distinguishing features of these claims over the Stauff patent, he probably was referring to the aggregate of application claims 59-71.

"Too, the statement by plaintiff's attorney might have been clearly erroneous. *Eversharp, Inc. v. Fisher*

Pen Co., 204 F. Supp. 649, 674 (N.D. Ill. 1961) succinctly states the proper law if such is the case.

Clearly erroneous statements of counsel, that certain limitations are contained in each of several claims, inadvertently made in remarks accompanying an amendment to a patent application; cannot destroy the clear and express differences recited in such claims.' (p. 674).

Claims 6-9 make no mention of 'parallel beam members'. The claims stand on their own two feet without any mention of these words; there is no reason why the Court should read these words into the claims. Accordingly, claims 6-9 have not been immunized from possible infringement by defendant's estoppel contention."

5. Had the claims been narrowed, they could not have been amended to distinguish the prior art.

Arguendo, let us assume that the basic microcapsule claim, patent claim 11, had been narrowed. Of course, it was not, but the assumption will be made. This is the claim that begins, "11. A free-flowing powder of microscopic discrete rupturable capsules having..." Let us presume that prior to amendment the claim had commenced, "Microscopic discrete..." and that the words, "a free-flowing powder of" had been added by amendment, thus narrowing the claim in that regard. Even such narrowing would not create a file wrapper estoppel.

To show this we return to the original definition of file wrapper estoppel in *Graham v. John Deere Co.*, 383 U.S. 1, 33 (1966); 86 S.Ct. 684, 702:

"Claims as allowed must be read and interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by *distinguishing the prior art* cannot be sustained to cover that which was previously by limitation eliminated from the patent."

Quite simply, had claim 11 been so narrowed, it would not have been to avoid the prior art, because a free-flowing powder of capsules is distinctly and positively shown in that prior art.

Both Green (2) and Green (3), U. S. Patent Nos. 2,800,457 and 2,800,458 (Ex. Tabs D and E) clearly disclose microcapsules for coating a record sheet, which capsules were first dried. Thus, in Green (3), column 2, lines 43 to 52 (Ex. Tab E-175), it is disclosed that the capsules may be dried. In Green (2) at column 3, lines 25 to 32 (Ex. Tab D-166), there is a disclosure that the capsules may be dried to form dry granular material to be handled and stored in the same manner as other dry materials. Indeed, in Fig. 4 of the drawings of Green (2) (Ex. Tab D-162), it will be seen that the last step is to dry and comminute the aggregate capsules. On the following page 163, the penultimate step in Fig. 5 is drying the encapsulated material. In Fig. 6 on the next page, the last stage is to harden, dry and comminute if desired. Green (2) and Green (3) are simply full of references to drying capsules. Mr. Burns clearly so states in his affidavit at A. 41.

Had the claims been narrowed, it was simply impossible for Macaulay's solicitor to have thought he could avoid the Green patents by, e.g., hypothetically amending patent claim 11 by adding the term, free-flowing powder. Dry or wet, the Green patents showed both

forms of capsules. Did the Patent Office Examiner allow claims such as claim 11 because they used the term, free-flowing powder to thereby avoid the prior art? To do so, the Examiner would first have had to have lost the Green patents. *Per contra*, he stated at page 41 of the Macaulay file history (Ex. Tab B-56), "Note Green (3), col. 2, lines 43 to 52 where it is taught that the dry granules may be formed *in free-flowing form* by spray drying them."

Although from another circuit, there is a case that is so analogous in its facts that it must be cited here. That is *Eimco Corp. v. Peterson Filters and Engineering Co.*, 406 F.2d 431 (10th Cir. 1968), rehearing and cert. denied. The facts are set out in greater detail in an unofficially reported District Court decision, *sub. nom. Peterson Filters and Engineering Co. v. Eimco Corp.*, 155 USPQ 89, 94 (D.Utah 1967). At page 438 of 406 F.2d the Court of Appeals discusses the doctrine of file wrapper estoppel citing *Graham v. John Deere Co.*, of course, and in footnote 7 refers to the trial court's findings. That finding, which is No. 37 and also found at 155 USPQ 94, concludes that there was no indication that the claim language was required to avoid the prior art. The next finding, No. 38, recited just why that was so and that finding is repeated hereinafter:

"38. The examiner did not, in the rejection over a combination of the Alston and British patents, require that the guide rollers be claimed with respect to the return roll so as to distinguish this prior art. In the British patent, the guide rollers 3 contact the belt and the bead while the belt is contact with the rollers 2. The Alston patent shows no guide rollers in contact with a belt bead. Consequently, locating the guide roller adjacent each end of the return roller

would not have obtained allowance of any claim because it did not distinguish the relative locations of the rollers 2 and 3 of the British patent."

Why add the limitation free-flowing powder to distinguish the prior art when it is found in the prior art? As in *Peterson Filters*, the only logical answer is that the term could not have been added to distinguish the prior art because simply in fact it did not. Consequently, there is no file wrapper estoppel under *Graham v. John Deere Co.*, *supra*.

Of course, the lower court never directed its attention to whether any of the claims had indeed ever been narrowed let alone to avoid the prior art Green patents the court never saw. However, this point has been briefed in case this Court should decide to determine the issue for itself.

6. The lower court never looked at the prior art.

It will be apparent that in order to meet the *Graham v. John Deere Co.* test of estoppel, i.e., to determine whether claims "...have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art", it is necessary to examine the prior art—the Green patents. Not only did the court fail to determine whether claims had been narrowed to distinguish the prior art; it did not even look at the prior art. Perhaps more amazingly, 3M has stated unequivocally to the district judge during oral argument (A. 105) that in fact he did not look at the Green patents and so should not include the Green patents in the record on appeal.

After Moore moved to correct or modify the record to include the Green patents (A. 100 to 101), 3M opposed the motion, admitting at A. 102:

"Although plaintiff Moore now wishes the 3 Green patents had been among the 'original papers and exhibits filed in the district court', there can be no doubt that they were not. Because defendant 3M regarded them as unnecessary, and because plaintiff Moore for whatever reason did not include them in the myriad of opportunities given it to make a record, the court reached its judgment without the patent documents as such."

In all candor, at the hearing of December 23, 1974, Mr. Ames, counsel for Moore, asked the judge whether he had referred to the Green patents *per se* in reaching his decision. The Court replied at A. 107:

"Whatever is written is written and I am not going to explain it further, Mr. Ames.

* * *

I had enough trouble explaining it in the first place and I am not going to try to do it again."

It added at A. 108:

"... it has gone as far as the record is down there on appeal that if in the wisdom of the Second Circuit these Green patents ought to be made part of the record you can make your application there. I am going to deny it here because I think that rather than have this followed by motions to reopen - - -"

So, the district judge refused to be pinned down as to whether he actually looked at the Green patents; still, had he looked at them they would surely have been part of the record. Rather than risk further motions by Moore, he kept the Green patents out of the record. While Moore will certainly move the Court of Appeals to augment the record by the addition of the Green patents, the admission so trumpeted by 3M that the judge never looked at the Green patents is *per*

se reason for reversal and remand of this appeal.¹³ If one is going to apply the *Graham v. John Deere Co.* test for file wrapper estoppel, one must look to the prior art to see whether claims were indeed narrowed to avoid it. There is no way one can properly rely on the remarks of the patent solicitor¹⁴ or the Examiner¹⁵ to see if the prior art has been distinguished, you have to look at the prior art. This the lower court did not do, and what is really amazing is not simply the court's failure to examine the Green patents, but 3M's trumpeting of that failure.

7. Were there a file wrapper estoppel the doctrine of equivalents could still have been applied.

It is perhaps a far point considering the manner in which the lower court found file wrapper estoppel, but even were there an estoppel, such would not be an absolute bar to application of the doctrine of equiva-

¹³ Moore respectfully asks, however, that this Court of Appeals reverse for all of the many other blatant errors made in granting summary judgment herein rather than merely remand and thereby defer the appeal until another day. This action has already been pending more than three years and discovery has been frustrated repeatedly by the failure of the Court to decide Moore's outstanding Rule 37 motions.

¹⁴ An astute patent solicitor would always say a claim was amended to correct informalities rather than to avoid the prior art.

¹⁵ Unfortunately, Patent Office Examiners never say why they finally allow claims that they have previously rejected. If a solicitor gives ten reasons why a claim should be allowed, and the Examiner then allows the claim, there is no way that a court can read the mind of the Examiner to determine which of those reasons was persuasive.

lents. In this circuit that basic proposition is set forth in *Nelson Planning Limited v. Tex-O-Graph Corp.*, 280 F.Supp. 226 (S.D.N.Y. 1968); aff'd 423 F.2d 36 (2d Cir. 1970). In the District Court decision Judge Pollack held at 280 F.Supp. 229:

"The file wrapper estoppel doctrine necessarily qualifies the doctrine of equivalents frequently invoked to expand the reach of a patent. *Musher Foundation, Inc. v. Alba Trading Co., Inc.*, 150 F.2d 885, 888 (2d Cir. 1945); see also *Stiegele v. J. M. Moore Import-Export Co., Inc.*, 312 F.2d 588 (2d Cir. 1963).

"This does not mean, however, that a limitation added to a claim to secure its allowance is not to be construed liberally in the light of the specification, the actual contribution to the art made by the patentee, and be given some reach by the application of the doctrine of equivalents.

"The file wrapper estoppel doctrine proscribes only an interpretation of the claim which would have the effect of disregarding the limitation and of reclaiming matter relinquished to secure allowance of the patent."

In the Seventh Circuit in *Dole Valve Co. v. Perfection Bar Equipment, Inc.*, 298 F.Supp. 401, 406 (N.D.Ill. 1968); aff'd 419 F.2d 968 (7th Cir. 1969), District Judge Decker said:

"Nevertheless, defendant asserts that Dole Valve is prohibited from using the doctrine of equivalents because the Patent Office rejected a claim covering 'valve means' generally. Kromer subsequently accepted the present description of the two valves. While equivalents may not be employed to enlarge patent claims to include areas explicitly abandoned before the Patent Office, a patent covers all devices

which may fairly be called the equivalent of the ones described."

See also *Ziegler v. Phillips Petroleum Co.* 483 F.2d 858 (5th Cir. 1973) at pp. 870, 871; *Tektronics, Inc. v. United States*, 445 F.2d 323 (Ct. Cl. 1971); and *Smith v. J. H. Smith Co., Inc.*, 315 F.Supp.1059 (D.Mass. 1970).

Consequently, if patent claim 11, hypothetically, had been narrowed, and if it had been narrowed to avoid the prior art, and if that narrowing had constituted inclusion of the term, "free-flowing powder" where there had been some other term, it would still be a question of fact whether a water slurry of the same capsules was the equivalent of a free-flowing powder of capsules, depending upon what the claim had recited before it was narrowed to "a free-flowing powder". Thus, if the claim had previously recited a "water slurry", the water slurry could not be recaptured by resort to the doctrine of equivalents, since that water slurry would previously by limitation have been eliminated from the patent. *Graham v. John Deere Co.*, *supra*. Unfortunately, the lower court in granting summary judgment on the basis of file wrapper estoppel, apparently thought that an estoppel automatically and irrevocably barred all application of the doctrine of equivalents.

C. Errors in Patent Interpretation.

1. The lower court failed to treat the claims as individual grants but agglomerated them as a whole.

Although, as pointed out hereinbefore, each patent claim defines its separate invention and must be considered by itself both with respect to validity and

infringement, supra p. 13, the District Court, after recognizing that only certain of the claims had been charged to have been infringed by 3M (A. 84), refused thereafter to refer to individual patent claims. It lumped all 14 asserted claims together in one bundle and found file wrapper estoppel with respect to all of them, regardless of amendments or no amendments, the prior art, or other such matters. By so treating the claims as an agglomerated unit rather than individual grants, it committed basic error.

One most recent District Court case not yet officially reported is so much in point as to be worthy of citation. It is *Mobil Oil Corp. v. Filtrol Corp.*, 183 U.S.P.Q. 258 (C.D.Cal. 1974). In that case, too, certain claims were asserted and other claims were not asserted. In its disclosure, the patent in suit made some sweeping statements about the sodium content of the zeolite component being low, and, indeed, certain of the claims were limited to a sodium content of less than 1% of the zeolite. Other claims, however—and these are the claims that were asserted—did not refer to the sodium content in the zeolite but to the sodium content of the composition as a whole. Since the specification had discussed the advantages of using low sodium zeolite and various processes by which the sodium in the zeolite might be reduced below 1%, the defendant tried to avoid the patent by reading into the asserted claims a limitation that the zeolite alone had a sodium content of less than 1%. The court carefully analyzed the contention and held at 183 U.S.P.Q. 266, 267:

“In the final analysis, defendants’ argument must be found without merit. Although defendants are correct in that the specifications do discuss removing sodium from the zeolite component, the patent

claims themselves could not be clearer. They state unequivocally that 'which composition [the zeolite and the matrix] has a sodium content of less than one weight percent.' (249 patent claims 9-11-14-15) There is no mention in the claims themselves of the sodium limitation on the zeolite component. Moreover, claims 19 and 21 of the 249 patent do include a 'substantially sodium-free' zeolite limitation. As these claims are *not* asserted against the Filtrol catalyst, it would be reversible error for the Court to read these claim limitations into those claims which are asserted. Since the specifications refer to all of the claims of the patent, the Court cannot read a limitation of one claim onto another claim through a more general specification."

The similarity to the facts of the present case is noteworthy. The Macaulay specification certainly does mention a free-flowing powder of microcapsules and spray-drying the capsules. Yet in column 9 (Ex. Tab A-7) Example IV, the Macaulay patent discloses how to make a urea-formaldehyde shell wall in which the polycondensation product is formed *in an aqueous slurry* by the addition of hydrochloric acid. The resulting mixture or slurry is then agitated for five minutes, filtered and air dried. So, there is definite disclosure in the patent specification for the formation of capsules while in a water slurry as well as by the act of spray drying. There are claims such as patent claim 2 (application claim 11) where it is specified that the capsules are formed by spray-drying. These spray drying claims have not been asserted. A claim such as patent claim 11 is certainly clear enough; it does not mention spray-drying. Yet the trial court has somehow read into claim 11 a spray-drying limitation found only in nonasserted claims. As the California District Judge said, this consti-

tutes "reversible error." The claims of any patent are independent animals. Here some claims recite and cover spray-drying. Those claims that do not recite spray drying are not so limited.

2. The lower court incorrectly called all fourteen asserted claims process claims.

Here is another distinct error in basic patent interpretation by the lower court. In its opinion at A. 84, the Court said:

"The claims that defendant is charged to infringed, claims 8, 11, 12, 13, 16, 17, 22, 23, 24, 25, 26, 27, 28 and 29, are all either directed to or defined by a process for producing a free-flowing powder. No claim of the Macaulay patent includes microscopic capsules formed in an aqueous system."

The District Judge thought all the asserted claims were "directed to or defined by a process..." Such belief is consistent with its later holding that what it considered the essence of the invention was: spray-drying. Yet of those asserted claims only one, patent claim 8, relates to a process. Claims 11 to 13, 16, 17 and 22 relate to microscopic discrete rupturable capsules. Claims 23 to 29 relate to carbonless paper, varyingly termed a record copying sheet or paper. Where the lower court acquired its idea that all of the claims were directed to or defined by a process is unfathomable. More important, it is obviously in error.

3. Process limitations will not be read into and are improper in product claims.

The law and, indeed, inchoate reasoning and the basic statute¹⁶, establish the dichotomy of process and product claims. See, e.g., *In re Brown*, 459 F.2d 531, 535 (C.C.P.A. 1972), which says that is is "the patentability of the product claimed and not of the recited process steps which must be established." See also *Farmers Cooperative Exchange, Inc. v. Turnbow*, 111 F.2d 728 (9th Cir. 1940) at 732; *United Carbon Co. v. Carbon Black Research Foundation*, 59 F. Supp. 384 (D.Md. 1945) at 396; and *In re Tuck*, 476 F.2d 650 (C.C.P.A. 1973) at 653. Yet the Decision concludes at A. 89:

"... that the entire thrust of the patent applicant's two revisions was to distinguish his *process* of producing microcapsules as a free-flowing powder from the *process* of producing microcapsules in aqueous dispersions. The conclusion seems inescapable that the patent office granted the Macaulay patent with the limitation that the *process* patented was the *process* of producing microcapsules by spray-drying."

What the court might be saying is that the capsule and carbonless paper claims were, by some undefined procedure, allowed only because of an implied (or express) reference to spray-drying. Any such theory is not only legally improper but was so recognized by the Examiner during prosecution of the Macaulay application. Clear evidence of this is found in the repeated

¹⁶ 35 U.S.C. §101, entitled, Inventions Patentable, separately defines as subject matter of a patent as a "process, machine, manufacture and composition of matter". There is no such animal as a half-and-half claim.

assertions of the Patent Office Examiner that process limitations cannot patentably distinguish product claims. How right he was when he said in the Official Action of December 10, 1958 (Ex. Tab B-77):

"The process limitations are not proper in the article claims and may not be relied on to patentably distinguish over the article of the reference."

Each process claim (claims 1 to 10) is a separate invention. Each capsule claim (claims 11 to 22) and each sheet or paper claim (claims 23 to 29) is likewise drawn to a separate, distinct invention. What is said about why one is patentable does not necessarily apply to the patentability of the other. Specifically, a process can be patentable while the product of the process is not, and vice versa.

The Examiner maintained his position throughout the prosecution of the Macaulay patent. Thus, in Paper No. 10, the Official Action held March 3, 1960 (Ex. Tab B-96), the Examiner commenced by stating:

"Claims 7, 8, 22, 23 and 36-39 are rejected as unpatentable over Green (2). As pointed out before this reference relates to a free-flowing powder of the type claimed and differs only in the manner of forming the powder. The process of manufacture will not be evident in the final product. Further, such limitations may not properly be set forth in the article claims since they are not necessary to describe the article. Applicant argues that the film-forming material of Green is ionizable and water-soluble whereas the claimed material is non-ionizable and water-soluble. It is not clear that this difference exists."

After Macaulay's solicitor had filed an appeal brief, the Examiner reconsidered certain of his positions in an

Office Action mailed January 26, 1961, (Ex. Tab B-137). Yet the Examiner did not reconsider his position that process limitations are not properly part of, let alone make any patentable distinction in, product claims. Thus, the Examiner there said:

"Claims 22, 23 and 37-39 [should] define the product in terms of its structure and not by the method of manufacture and are therefore improper. As pointed out at the top of page 20 of applicant's brief these claims were presented as alternative and will be cancelled upon allowance of the other type of product claims. Since the proper type of product claims have been found allowable these claims should be cancelled at this time."

At long last Macaulay's solicitor did what he should have done originally: he maintained a clear dichotomy between the product and process claims. Claims 22 and 23 were canceled and application claims 43 to 52, which became patent claims 14, 16, 18, 20, 22, 15, 17, 19, 21 and 10, respectively, were added. That is the way the patent issued. The Examiner always took the position that process limitations in product claims were improper and that correct position was ultimately concurred in by Macaulay's solicitor. Yet the lower court on motion for summary judgment has read back into each and every product claim of the Macaulay patent a spray-drying limitation that purely refers to a process, not product. It is difficult to understand how the court could take this position after a careful reading of the file wrapper of the Macaulay patent.

D. Claims 24 to 29 are Literally Infringed; There is No Need to Resort to Equivalents.

The basis of the lower court's decision was that Macaulay was barred by the doctrine of file wrapper estoppel from applying the doctrine of equivalents to the term, "free-flowing powder." Yet there are certain asserted claims in the Macaulay patent, of which claim 24 is representative, that do not utilize the recitation, "free-flowing powder." Consequently, as to such claims, there is no need to resort to the doctrine of equivalents, since there is literal infringement. So, according to *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 607 (1950): "If accused matter falls clearly within the claim, infringement is made out and that is the end of it." As to claims of which claim 24 is representative, that should be the end of it. Yet the lower court never referred to the question in its decision, although it was extensively and repetitively briefed by plaintiff.

Once again directing the court's attention to patent claims 11 and 24 reproduced at page 14, *infra*. It will there be seen that the sole reference to claim 11 in claim 24 is the phrase, "said microscopic discrete capsules being those defined by claim 11." Although it made no express statement, the trial court apparently took the position that by referring back to "said microcapsules", the court was really referring back to "a free-flowing powder of microscopic discrete rupturable capsules. . ."

Of course, the first and perhaps basic reason why claim 24 does not refer back to a free-flowing powder of capsules but to the capsules, is because of its wording. If it had meant to refer back to a free-flowing

powder, it would have been quite simple to say that. Instead, it specifically recites, the "*capsules* being those defined by claim 11."

Moreover, it would certainly seem apparent that the reason it did not refer back to a free-flowing powder of capsules is because such a free-flowing powder, on a sheet of carbonless carbon paper, would be inoperative. The reason for such inoperativeness is clear from the deposition of James C. Custer, 3M's plant manager, taken March 19, 1974. The last two questions and answers (A. 73) of that deposition are:

"Q From your expertise, sir, what would be the function of a dry free-flowing powder of image capsules on a paper web?

"A It would have no function at all that I know of.

"Q Because it would fall off?

"A I presume it would."

If this Court will picture an attempt to insert a sheet of paper with a free-flowing powder on it into a typewriter, it will have a mental impression of why Mr. Custer said that the powder would have no function at all. Yet if the powder is held to the paper by some type of binder, then of course the powder is no longer free-flowing. There is just no way to have a commercial or even operable sheet of carbonless paper with a free-flowing powder of capsules on it; they would simply free-flow right off the paper. These facts were not merely recognized by 3M's Mr. Custer, they were also clearly referred to by Moore's patent expert, Mr. Burns, in his affidavit (A. 43 to 44). While the Court never referred to them, claims such as representative patent claim 24 are literally infringed by 3M's carbonless paper regardless of the process by which that paper

was made and there is no need to resort to the doctrine of equivalents where there is literal infringement.

E. Plaintiff's Affidavits Submitted in Opposition to Summary Judgment Should Have Been Considered.

1. The Burns affidavit is proper.

The affidavit of Robert E. Burns, submitted in behalf of Moore Business Forms and in opposition to the motion for summary judgment, was referred to by the lower court and then discarded with the comment, "the Court considers this affidavit as legal argument only." (A. 82) In his affidavit, Mr. Burns carefully traced the complex history of several patent claims, including representative patent claims 11 and 24, in their tortuous path through the U. S. Patent Office. Most of the affidavit was pure fact, i.e., what happened to the claims that finally issued during their prosecution. Certainly the Burns affidavit did, on the basis of the facts as sworn to therein, ultimately say that there was no file wrapper estoppel. However, particularly in view of 3M's concurrence with its factual statements,¹⁷ the lower court should not have considered this entire affidavit as legal argument only.

It is a possibility that the judge simply did not wish to be advised with respect to the file wrapper by an attorney. Nonetheless, Mr. Burns is not only an attorney, and a distinguished one, but a former Patent Office Examiner and a Rhodes scholar. He is an expert in interpreting patent file histories. Who else but a

¹⁷ See *infra* pp. 17 to 18.

patent attorney could be utilized as an expert witness when proceedings before the Patent Office are in issue, as well as their legal effect? Patent Office Examiners are not permitted to testify as expert witnesses in patent litigation.¹⁸

For a court in a chemical patent case to reject expert testimony out-of-hand, is unusual. For it to do so on summary judgment when there is no affidavit evidence to the contrary is reversible error.

A case unusually close on its facts is *Black, Sivalls & Bryson, Inc. v. National Tank Co.*, 445 F.2d 922, 925 (10th Cir. 1971). Here the District Court had granted a motion for summary judgment brought by the defendant and entered findings of fact and conclusions of law holding the patent in suit noninfringed and invalid. The Court of Appeals reversed and ordered trial on all issues. Beginning at page 924 of 445 F.2d, the Court of Appeals considered the factual question of infringement. As in 3M's motion, an interpretation of the file wrapper was in issue and had been determined by the trial court against the patent owner. The Court of Appeals said:

"The trial court's finding No. 11 that the file wrapper of the Thurley patent made clear that there was no question of fact as to Claim 1 being limited to a plurality of high intensity combustion burners was a crucial one which laid the groundwork for the court's further finding that the plaintiff's plurality of burners ruled out infringement. This called for a most careful interpretation of the proceedings before

¹⁸Manual of Patent Examining Procedure Rev. 32, §1701. See *The Impact of In re Mayewsky*, by R. Lupo, 55 J.P.O.S. 216.

the examiner by one skilled in the art. On the basis of the sparse record before it, and judging from the complexity of the proceedings before the examiner, the trial court was necessarily handicapped in arriving at such a finding. We find it impossible to review this determination. The findings do not cite the applicable pages of the file wrapper and support for the finding is not found in the total proceedings of the examiner. Explanatory testimony was therefore necessary, and it was error to determine the issue without this assistance."

Not only is the subject matter of the Macaulay patent complex, but the file wrapper is as complicated as any counsel has seen where a single application is involved. "Explanatory testimony" is therefore necessary, and that testimony is set forth by the Burns affidavit for plaintiff and by no cogent evidence whatsoever in behalf of defendant. See also *Ziegler v. Phillips Petroleum Co.*, 483 F.2d 858 (5th Cir. 1973) at 861 and *Maxon Premix Burner Co. v. Eclipse Fuel Co.*, 171 U.S.P.Q. 138 (N.D.Ill. 1971) at 165; mod. other grounds 471 F.2d 308 (7th Cir. 1972).

2. The Swiercz affidavit is cogent evidence.

The second affidavit submitted by Moore in opposition to summary judgment is that of William D. Swiercz, a research chemist employed by Moore. Mr. Swiercz made drawdowns, i.e., paper coated with stripes of microcapsules. First Mr. Swiercz repeated Example IV of the Macaulay patent with inconsequential modifications. (A. 47, 48 Swiercz affidavit paragraphs 4 and 5). The result of that repetition was what he called a sample No. 9 neutral slurry of microcapsules having urea-formaldehyde walls or shells. Thereafter, Mr. Swiercz added a binder and made a series of drawdowns

called series 10. Drawdown 10A of that series was annexed to the original of his affidavit (*ibid.* par. 6) as Exhibit 10A. He took another sample of the neutral slurry, dried it, reslurried it, added binder and made drawdowns denominated as series 13. (*ibid.* par. 7) Drawdown 13A of the series was attached to his original affidavit as Exhibit 13A.

So, the Swiercz affidavit was accompanied by two drawdowns: one made from a slurry, the other from a free-flowing powder later reslurried. There was no need for Mr. Swiercz to say that the draw-downs were equivalent, in paragraph 8 of his affidavit he said that anyone could test the drawdowns by laying the draw-down sheet face down on a clean sheet of paper and writing on the back of the drawdown sheet; such writing would then be transferred to the clean sheet.

This Court is respectfully referred to the original of Item 45 of the record on appeal, which should include the Swiercz affidavit and its original exhibits. Unless they have somehow deteriorated in the almost one year that has past, they should still function in an identical manner. The Swiercz affidavit was good, clean evidence of equivalence, i.e., that whether the capsules were dried to a free-flowing powder or maintained in a slurry as 3M did, they performed substantially the same function in substantially the same way and accomplished substantially the same result. Somehow the district court disregarded the Swiercz affidavit, although there was no contrary affidavit submitted by 3M to show lack of equivalence.

There appears to be another basis on which the lower court rejected the Swiercz affidavit. In discussing that affidavit in his decision (A. 82), the Judge states, "The

Swiercz affidavit does not attempt to show equivalency with respect to the microcapsules alleged to be here infringing. No tests have been conducted on any of the infringing carbonless papers." While Moore would have had no compunctions about making the tests suggested by His Honor, such tests were totally irrelevant to the issue raised by 3M's motion for summary judgment.

That motion for summary judgment (A. 14 to 16) simply states that 3M's Type 200 paper does not infringe because the 3M capsules were never reduced to a free-flowing powder but were maintained in a water mixture or slurry. The issue, therefore, is the equivalence of free-flowing powders and aqueous slurries of the identical capsules. The way to test that equivalence is to see the differences, if any, between the powder and the slurry as coated on paper to make carbonless paper.

3M's Type 200 paper may include ten other inventions¹⁹ that make it completely different in performance from the Macaulay drawdown. Those other inventions are not in point, because 3M did not urge them as a basis for summary judgment, and it is a basic proposition of law that improving a patented product will not avoid what would otherwise constitute infringement. 3M's sole basis for summary judgment was that it never employed a free-flowing powder. The Swiercz affidavit and its exhibits show that drawdowns of carbonless paper made from a re-slurried free-flowing powder and from a slurry of capsules which had never been dried, are equivalents. There was no counter-affidavit. Yet the lower court once again avoided the

¹⁹ For example, 3M claims that its Type 200 paper is further made in accordance with U.S. Patent No. 3,516,941 to Matson (Ex. Tab K-270).

Swiercz affidavit as it had the Burns affidavit—but improperly so.

F. The Movant Did Not Sustain its Burden on Equivalents.

1. The Swiercz affidavit was unopposed.

With the burden on 3M to show that a free-flowing powder of microcapsules and a water slurry of microcapsules were not equivalents, what did 3M submit by way of affidavit evidence to sustain its burden? Absolutely nothing. The only affidavit submitted on the issue of equivalence was that of William D. Swiercz, Moore's research chemist. For reasons not at all clear, the lower court was unpersuaded by the Swiercz affidavit. While Moore is in complete disagreement with any such requirement, let us presume that the Swiercz affidavit is insufficient to show equivalence. Yet 3M failed to introduce any evidence tending to show non-equivalence. On its motion for summary judgment, how can 3M be held to have sustained its burden on equivalence when it offered no evidence thereon? Exemplarily, why did 3M not offer an affidavit similar to Swiercz but showing a difference in function, if possible? On whom is the burden on summary judgment?

2. Equivalence is a question of fact.

Nothing could be clearer but that equivalence is a question of fact. As stated by the Supreme Court in *Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co.*, 339 U.S. 605, 609 (1950):

"A finding of equivalence is a determination of fact. Proof can be made in any form: through

testimony of experts or others versed in the technology; by documents, including text and treatises; and, of course, by the disclosures of the prior art."

Post *Graver* decisions so holding are legion. Merely to cite a few, there are *Triax Co. v. Hartman Metal Fabricators, Inc.*, 479 F.2d 951 (2d Cir. 1973); *Tights, Inc. v. Stanley*, 141 F.2d 336 (4th Cir. 1971); *Olympic Fastening Systems, Inc. v. Textron, Inc.*, — F.2d —, 183 U.S.P.Q. 519 (10th Cir. 1974). Judge Curtin, however, apparently considered equivalence to be a question of law, stating at A. 84, 85:

"Thus, if equivalency can be determined by comparison of the accused device and the patent claims, equivalency is a matter of law for the court. See *Sanitary Refrigerator Co.*, *supra*, 280 U.S. at 36; *Duplan Corp. v. Deering Milliken, Inc.*, No. 71-306 (D.S.C., Nov. 14, 1973)."

The Judge's reliance on these cases is misplaced.

Sanitary Refrigerator Co. v. Winters, 280 U.S. 30 (1929) was an unusual case in which there was a conflict of decisions between two circuits. Since the evidence upon which both courts made their decision was undisputed, the Supreme Court said that the question of infringement resolved itself into an issue of law. Obviously, no such situation is present in the summary judgment facts before the U. S. District Court for the Western District of New York. The reference to *Duplan Corp.* is apparently to the case officially reported at 370 F.Supp. 769. The language quoted by the court is contained in this case which, it is respectfully submitted, is clearly in error.

It is not understood how equivalence can be determined by comparing the accused device and a patent claim, as the judge said. As stated by the Supreme Court in *Graver Tank & Mfg. Co., Inc.*, *supra*, at 339 U.S. at 608:

"The theory on which it [the doctrine of equivalence] is founded is that 'if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form or shape.'"

Presuming that the lower court here made a determination of non-equivalence as a matter of law, it is a mystery as to the facts on which it relied. Do a free-flowing powder of these capsules and a water slurry of the same capsules do the same work? Do they do it in the same way? Do they accomplish the same result when coated on paper? Saying that equivalence is a matter of law cannot dispose of the legal obligation to apply the tests of equivalence so clearly defined by the Supreme Court to some facts.

3. Other factors pointing toward equivalence.

There are so many factors that militate toward equivalence of a free-flowing powder and a water slurry of the same capsules in this art — in addition to the Swiercz affidavit—that it will be better simply to list a few.

(a) Prior art shows the equivalence.

The prior art shows the equivalence, i.e., that one may dry or may not dry a slurry of capsules as desired. U. S. Patent No. 2,800,458, Green (3) (Ex. Tab E) is replete with statements that drying of capsules or maintaining them in a slurry are equivalents. Thus,

Green (3) makes the following statements at Tab E, p. 175:

"In the event the free water is removed," (col. 1, line 32).

"If desired, the capsules may be hardened and rendered insoluble so that the free water may be driven off by heat." (col. 1, lines 35, 36).

"If the capsules are to be dried," (col. 2, line 43).

"... if desired, the fluid-dispersed capsules may be spray dried." (col. 2, lines 46, 47).

U. S. Patent No. 2,800,457, Green (2) (Ex. Tab D) emphasizes the equivalence. Without going through the specification of Green (2) in detail, reference to Figs. 4, 5 and 6 (Tab D pp. 162, 163 and 164) will show that in each case there is a drying step near the end of the flow diagram there outlined. In Figs. 4 and 6 it is in the lowermost box, in Fig. 5 in the penultimate box. In each figure, however, there is a line some boxes above the drying step which states, "steps below this line are optional".

The point here made is not merely that the Green patents cited by the Examiner well recognized drying and spray-drying of capsules, but that they recognized it as being an optional step, something that might or might not be done with no real difference except the form of the product, i.e., a liquid slurry or dry capsules. Thus proof is made "by the disclosures of the prior art" exactly as specified by *Graver Tank & Mfg. Co.*, 339 U. S. at 609.

(b) Dr. Ostlie testified that they were equivalent.

The same Dean Ostlie who is 3M's affiant on the motion for summary judgment testified at his deposition on June 8, 1973 that the reason 3M does not dry its capsules is because it is more convenient to use them in slurry form (A. 51, lines 16 to 20). When asked whether there was any difference in function between dried and slurried capsules, Dr. Ostlie, Research Manager of 3M's Paper Products Division, cited the chance of breakage in drying and that another disadvantage was economic (A. 51, lines 21 to 31). The fact that there may be breakage in drying capsules and that it may be cheaper not to dry them may be valid reasons why 3M, at least in some instances, ships its Type 200 capsules in a slurry form. However, since the function of the capsules is the same and since they perform the function in the same way and achieve the same result, the dry capsules or a water mix thereof are clearly equivalent in accordance with the test of *Graver Tank* and more recent cases from this Circuit. *Burgess Cellulose Co. v. Wood Flong Corp.*, 431 F.2d 505 (2d Cir. 1970); *Rich Products Corp. v. Mitchell Foods, Inc.*, 357 F.2d 176 (2d Cir. 1966).

(c) Dr. Ostlie's affidavit indicates equivalence.

The best way to acquire unbiased facts is to see what a person said before he knew the subject would be in issue. 3M's Dr. Ostlie made an admission against present interest in an affidavit he filed in support of a patent application in the name of Gale W. Matson, another 3M employee. When he signed the affidavit reproduced at pages 52 to 64 of the Joint Appendix, Dr. Ostlie did not know that in later litigation he would have to distinguish between a water slurry and powder of

capsules. The Macaulay patent now in suit had been cited against the pending Matson application, and Dr. Ostlie wanted to show that Matson was better than Macaulay's Example IV that disclosed the production of urea-formaldehyde capsules in an aqueous slurry. To make the contrast, Dr. Ostlie had to reproduce Macaulay's Example IV.

In his affidavit, Dr. Ostlie recorded a series of experiments, which he described as "Runs", the results of which he summarized as tests to produce "...urea formaldehyde capsules made following the teachings of Macaulay. . ." (A. 53) Dr. Ostlie duplicated Example IV of the Macaulay patent in an effort to show differences between Macaulay Example IV and what Matson proclaimed as the essence of his invention, namely, the absence of a wetting or emulsifying agent in the capsule slurry.

The Court's attention is respectfully directed to Run A, a description of which commenced at A. 55. As Dr. Ostlie said immediately prior to his description of the run on that page, "The first set of runs was designed to ascertain the suitability for use of the capsules made by THE MACAULAY PROCESS in an impact marking copy paper. . ." [capitalization added] What was the "Macaulay process in an impact marking copy paper" that Dr. Ostlie reproduced and on which his affidavit was based? One fact is certain: that process did not involve a free-flowing powder of capsules. Run A made capsules in a slurry. At A. 56 Dr. Ostlie said, "In the present run after the capsules were made, the capsule containing slurry was simply neutralized by the addition of NaOH thereto to avoid the steps of filtering and reslurrying. This is the same procedure that was followed in subsequent runs." The neutralized slurry

(without drying) Dr. Ostlie made by THE MACAULAY PROCESS was used to form paper sheets that marked on the application of pressure. In Run B capsules according to the Macaulay process were not dried. The same is true with respect to Runs C, D, E and F. In every run that Dr. Ostlie made according to what he termed the Macaulay process, he simply made a slurry of capsules, neutralized it and used the slurry without drying.

The fact that Dr. Ostlie prior to the present litigation saw no reason, although under oath, to distinguish between a Macaulay process in which the capsules were or were not dried should be persuasive that there is no *functional* distinction between the dried and slurried capsules and that they are, therefore, equivalent.

(d) Common experience and 3M's failure to proffer evidence indicate equivalence.

The urea-formaldehyde capsules are substantially water-insoluble. Mixed with water, they drift about like little, round balls. They do not dissolve in the water, but hold safe their supplies of ink or other fluid. Why would a water mix of such capsules perform a different function, or the same function in a manner different from that of a free-flowing powder of capsules? To presume that they differ in function runs counter to ordinary experience. Of course, 3M has never said that they differed in function, and one may be certain that had 3M's experimentation revealed any such difference, its proclamation of that fact would have been loud and clear.

G. The Burden on Summary Judgment.

The reluctance with which courts consider motions for summary judgment in patent infringement actions is well known. It was recognized by the lower court which, at A. 82 said: "The court is aware of the caution usually exercised in granting a motion for summary judgment in patent cases." As collected in *Brass Craft Mfg. Co. v. Teledyne Corp.*,—F.Supp.—, 180 U.S.P.Q. 486 (D.Conn. 1973), a survey of all patent cases litigated in this circuit from 1956 to 1971 revealed that motions for summary judgment had been granted in only seven reported instances. In denying summary judgment, the court said "Conflicting affidavits as to the meaning of specifications and claims have been thought sufficient reason for denying such motions." [citations omitted] 180 U.S.P.Q. at 489.

As more recently stated by this Court in *Cali v. Eastern Airlines, Inc.*, 442 F.2d 65, 71 (2d Cir. 1971):

"Moreover, when the court grants summary judgment, it must resolve all ambiguities and draw all reasonable inferences favorable to the party against whom summary judgment is sought, . . . bearing in mind that the moving party has the burden of showing an absence of any material factual issue for trial If undisputed evidentiary facts disclose competing material inferences as to which reasonable minds might disagree, the motion must be denied."

Against this background and that of *Vermont Structural Slate Co. v. Tatko Bros. Slate Co.*, 233 F.2d 9 (2d Cir. 1956), the judge went on to state at A. 82:

"When, however, there are no material fact issues, and expert testimony is not needed to explain the prior art and the patent claims, summary judgment has been found to be appropriate."

In the present instance, however, there were material facts in issue: (a) whether claims such as patent claim 24 include the term, "free-flowing powder"; (b) whether claims such as patent claim 24 are literally infringed; (c) whether claims such as patent claim 24 are infringed under the doctrine of equivalents; (d) whether capsule claims such as patent claim 11 are infringed under the doctrine of equivalents, i.e., whether a free-flowing powder of capsules is equivalent to a water slurry of the same capsules; (e) whether the asserted claims, such as patent claims 11 and 24, were ever narrowed by insertion of the term, "free-flowing powder" during their prosecution; (f) whether, if they had been so narrowed, such narrowing was performed in order to avoid the prior art; and (g) whether the prior art, i.e., the three Green patents, disclose a free-flowing powder of capsules. There are many subissues of fact that further involve interpretations of the complex file history, the prior art, and the Macaulay patent in suit.

The district court apparently felt that expert testimony was not needed to explain the prior art and the patent claims. Of course, that expert testimony was offered through the affidavit of Robert E. Burns (A. 37 to 46); it simply was disregarded. The lower court did not need Mr. Burns to explain the prior art; it admitted that it never looked at the prior art. The lower court did not require the testimony of Mr. Burns to explain the patent claims; it never bothered to analyze a single individual claim of the Macaulay patent. In short, it did not require expert assistance because it never reached the issues, and not having reached them, could not and did not make a cogent resolution on summary judgment.



VI. CONCLUSION

The order of summary judgment appealed from should be reversed, with costs, and the case remanded to the U. S. District Court for the Western District of New York.

Respectfully submitted,

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